

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 6107**

**BILL NUMBER:** HB 1052

**NOTE PREPARED:** Oct 30, 2003

**BILL AMENDED:**

**SUBJECT:** ISTEP Waiver for Children with Disabilities.

**FIRST AUTHOR:** Rep. Stilwell

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** The bill changes certain requirements for a student with a disability to receive a waiver to graduate from high school without passing the graduation examination. The bill requires a student who seeks a waiver to: (1) attain the goals established by the student's individualized education program (IEP) rather than to attain the academic standard in a subject area; and (2) maintain a passing grade rather than a "C" average.

**Effective Date:** Upon passage.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** *Summary:* Local school corporations (via case conference committees for students with disabilities) would have more flexibility in deciding whether certain students could be awarded a high school diploma based on goals established by the student's individual educational program and on passing grades determined by case conference committees.

Under the bill, the impact to local expenditures is indeterminable and would vary by school corporation dependant upon local action.

*Background:* ISTEP+ is Indiana's statewide student assessment program which, beginning in the fall of 2003, is administered to Grades 3 through 10. ISTEP+ includes both norm- and criterion-referenced components, is administered in the fall, and is based upon proficiencies from the previous year.

The norm-referenced component of ISTEP+ compares a student's performance to the performance of a statistically representative sampling of U.S. students. The criterion component of ISTEP+ (which includes English/Language Arts and Mathematics subject areas) measures student performance against the Indiana Academic Standard (an expectation of student achievement developed by the State Standards Task Force).

Beginning with the graduating class of the 1999-2000 school year, students who expected to graduate with a diploma were required to either: (1) complete all high school graduation credit requirements in addition to receiving a score at or above the Indiana Academic Standard on the Examination; (2) successfully complete all components of the CORE 40 curriculum; or (3) successfully appeal the Examination test results in accordance with current law. A student who does not receive a score at or above the Indiana Academic Standard may retake the Examination during each semester of each grade following the grade in which the student is initially tested.

Approximately 61% of the tenth grade class of school year 2002-2003 received a score at or above the Indiana Academic Standard on both portions of the Examination. In school year 2001-2002, 59% of tenth graders passed both portions of the Examination.

For FY 2004, \$33,010,450 were appropriated from the state General Fund and state Dedicated Funds for ISTEP+ testing and remediation (grades 3-10). Of this amount, approximately \$17 M were distributed to eligible school corporations for preventative and regular remediation and approximately \$16 M were distributed for test development and administration.

#### Students With Disabilities

Students with disabilities may also appeal ISTEP+ test results in accordance with current law. A student's case conference committee may determine that the student is eligible to graduate with a diploma if certain criteria have been met.

Preliminary totals for the 2002-2003 graduating class had 5,273 special education students graduating. Of the total, 78% (4,097) received a diploma and the remaining 22% (1,176) received a certificate of completion. The special education student graduation total includes state-supported agencies (schools) including the School for the Blind, School for the Deaf, Soldier's and Sailor's Children's Home, and Department of Correction facilities.

Of 2002-2003 school year grade ten special education students, 21% passed the English/Language Arts portion of the ISTEP+ examination and 27% passed the mathematics portion.

Of the students with disabilities in the graduating class of the 1999-2000 school year who have taken ISTEP+, 55.5% received a score at or above the Indiana Academic Standard. Approximately 23% of the remaining 44.5% graduated high school with a diploma, nonetheless, via the existing appeal provision.

#### **Explanation of Local Revenues:**

##### **State Agencies Affected:**

**Local Agencies Affected:** School corporations.

**Information Sources:** William Binder, Division of Exceptional Learners, Department of Education, (317)

233-2134; Bob Marra, Assistant Superintendent, Division of Exceptional Learners, Department of Education, (317) 232-0570; *Indiana Annual State Report Card 2003*; State of Indiana, *List of Appropriations (July 1, 2003, to June 30, 2005)*; Indiana State Budget Agency BUDSTARS system; Department of Education Internet site: <http://www.doe.state.in.us/>.

**Fiscal Analyst:** Chris Baker, 317-232-9851.